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TAGS: PFOR, BR
SUBJECT: CONVERSATIONS BET

SUBJECT: CONVERSATIONS BETWEEN SECRETARY AND FOREIGN MINIS-

TER SILVEIRA

FOR AMBASSADOR CRIMMINS

SUMMARY: THE SECRETARY MET WITH BRAZILIAN FOREIGN MINISTER DA SILVEIRA TWICE PRIOR TO THE COMMENCEMENT OF THE WASHINGTON MEETING OF FOREIGN MINISTERS. AT THE FIRST MEETING ON APRIL 16 AMBASSADOR ARAUJO CASTRO AND ASSISTANT SECRETARY KUBISCH WERE PRESENT. AT THE SECOND MEETING THE FOLLOWING DAY BRAZILIAN AMBASSADOR TO THE OAS MACIEL WAS ALSO PRESENT.

BOTH THE FOREIGN MINISTER AND THE SECRETARY STRESSED THE IMPORTANCE OF CLOSE RELATIONS AND FREQUENT CONSULTATIONS ON A BROAD RANGE OF ISSUES. ALTHOUGH HE EXPRESSED CONCERN OVER THE ISSUE OF COUNTERVAILING DUTIES ON SHOES, SILVEIRA SAID HE WAS SATISFIED WITH THE RESULTS OF SECRETARY SHULTZ'S RECENT VISIT. HE URGED THE US NOT TO TAKE CONFIDENTIAL

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ANY FURTHER MEASURES PREJUDICIAL TO BRAZIL.

THE FOREIGN MINISTER SAID THE GOB WOULD PAY MORE ATTENTION TO ITS RELATIONS WITH OTHER LATIN AMERICAN COUNTRIES AND WOULD TRY TO HARMONIZE ITS INTERESTS WITH THEIRS. HE INDICATED THAT THE GOB WOULD BE LESS RIGID ON THE CUBA ISSUE, BUT WOULD NOT RENEW RELATIONS WITH CUBA FOR THE TIME BEING.

SILVEIRA SAID THE PRC HAD INDICATED A DESIRE FOR RELATIONS WITH BRAZIL, BUT THAT, ALTHOUGH BRAZIL WAS INTERESTED IN INCREASING TRADE WITH CHINA, THE ESTABLISHMENT OF RELATIONS WOULD BE A VERY GRADUAL PROCESS. HE INDICATED THAT BRAZIL WOULD MAINTAIN A LOWER PROFILE ON THE PORTUGUESE-AFRICA ISSUE AND NOTED THAT BRAZIL'S MIDDLE EAST POLICY WAS A FUNCTION OF ITS DEPENDENCE ON ARAB PETROLEUM SUPPLIERS.

THE FOREIGN MINISTER SAID BRAZIL WAS OPPOSED TO THE IDEA OF INVITING CUBA TO THE NEXT MFM AND WOULD SUPPORT US EFFORTS TO AVOID HAVING THIS ISSUE CONSIDERED AT THE WASHINGTON MEETING. HE SAID THAT THE ARGENTINE SUBSIDIARIES ISSUE WAS BETWEEN THE US AND ARGENTINA AND DID NOT CONCERN BRAZIL. BRAZIL EXPECTED US SUBSIDIARIES IN BRAZIL TO OBEY BRAZILIAN LAWS, HE ADDED. SILVEIRA SAID BRAZIL DID NOT WANT THE OAS TO UNDERGO MAJOR REFORM, ONLY UPDATING. HE WAS WARY OF ALLOWING OAS SANCTIONS TO BE LIFTED BY A SIMPLE MAJORITY VOTE. END SUMMARY.

1. FOREIGN MINISTER SILVEIRA TOLD THE SECRETARY THAT PRESIDENT GEISEL WANTS THE BEST POSSIBLE RELATIONS WITH THE UNITED STATES. SILVEIRA ADDED THAT THE GOB BELIEVES THAT BRAZIL HAS A SPECIAL RELATIONSHIP WITH THE UNITED STATES AND HE HOPED THE UNITED STATES SHARED THIS BELIEF. SILVEIRA SAID THAT BRAZIL DID NOT WANT PRAISE FROM THE UNITED STATES BECAUSE PRAISE MERELY TRANSFERS RESPONSIBILITY WITHOUT BENEFITS. THE SECRETARY REPLIED THAT HE UNDERSTOOD THAT BRAZIL DID NOT WANT FORMAL PRAISE OR RECOGNITION FROM THE UNITED STATES. LATER HE ADDED THAT HE UNDERSTOOD THAT IN ORDER FOR A LATIN AMERICAN COUNTRY TO BE ACCEPTED IN LATIN AMERICA, IT MUST EXPRESS ITS INDEPENDENCE FROM THE US. THE SECRETARY SAID THAT WE CONCONFIDENTIAL

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SIDER BRAZIL TO BE THE KEY COUNTRY IN LATIN AMERICA, ALTHOUGH OUR RELATIONS WITH ARGENTINA AND MEXICO ARE ALSO IMPORTANT. HE SAID THAT OUR PROBLEM IS HOW TO RECONCILE THE SPECIAL POSITION OF BRAZIL WITH OUR NEED FOR GOOD RELATIONS WITH THE OTHERS.

2. THE SECRETARY ASKED THE FOREIGN MINISTER FOR HIS VIEWS ON HOW THE TWO COUNTRIES COULD GIVE EXPRESSION TO

THEIR SPECIAL RELATIONSHIP. SILVEIRA REPLIED THAT THE SECRETARY AND HE COULD HAVE INFORMAL CONSULTATIONS EVERY SIX MONTHS OR SO AT ALTERNATE LOCATIONS. WHEN THE SECRETARY ASKED HOW THE US COULD MEET WITH BRAZIL AND NOT WITH OTHER LATIN AMERICAN NATIONS IN VIEW OF BRAZIL'S

RELUCTANCE TO BE PUBLICLY PRAISED OR SINGLED OUT BY THE UNITED STATES, SILVEIRA SAID THAT BRAZIL COULD ACCEPT THIS KIND OF PRAISE BECAUSE IT WOULD CONSIST OF ACTS NOT MERELY WORDS. THE SECRETARY SUGGESTED THAT CONSULTATIONS COULD TAKE PLACE AT ALL LEVELS OF GOVERNMENT ON A BROAD RANGE OF TOPICS INCLUDING ISSUES BEING CONSIDERED IN INTERNATIONAL FORUMS, SUCH AS POPULATION AND LOS. AT THE APRIL 17 MEETING THE SECRETARY SAID THAT HE HAD SPOKEN WITH THE PRESIDENT WHO HAD CONFIRMED OUR DESIRE TO HAVE ESPECIALLY CLOSE RELATIONS WITH BRAZIL. HE REITERATED THAT THESE RELATIONS COULD BE A DE FACTO ARRANGEMENT WITHOUT PUBLICITY OR SPECIAL PRAISE CARRIED ON BY MEETINGS BETWEEN THE SECRETARY AND THE FOREIGN MINISTER TWICE A YEAR AS WELL AS BY EXCHANGES AT OTHER LEVELS.

3. SILVEIRA DESCRIBED THE RESULTS OF SECRETARY SHULTZ'S VISIT AS VERY CONSTRUCTIVE AS FAR AS THE GOB WAS CONCERNED. HE ADDED THAT IT IS DIFFICULT, HOWEVER, TO EXPLAIN TO BRAZILIAN PUBLIC OPINION THE ISSUE OF THE COUNTERVAILING DUTY ON SHOES, ESPECIALLY WHY THE UNITED STATES IS NOT APPLYING THE SAME REGULATIONS TO ARGENTINA, ITALY, OR SPAIN AS IT IS TO BRAZIL. HE RECOGNIZED THAT FAILURE TO MAKE PROGRESS ON THIS ISSUE AFTER JANUARY 15 WAS ESSENTIALLY BRAZIL'S FAULT, BUT HE ADDED THAT IT WAS NOT THE FAULT OF THE PRESENT ADMINISTRATION AND THE U.S. DECISION TO ANNOUNCE THE BEGINNING OF THE FORMAL INVESTIGATION TWO DAYS BEFORE THE GEISEL ADMINISTRATION TOOK OFFICE CONFIDENTIAL

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MADE THE ISSUE LOOK LIKE A CHALLENGE TO THE NEW ADMINISTRATION. THE SECRETARY REPLIED THAT HE UNDERSTOOD THE PROBLEM BUT THAT IT WOULD HAVE BEEN WORSE IF THE U.S. HAD ANNOUNCED ITS DECISION AFTER THE GEISEL ADMINISTRATION HAD TAKEN OFFICE. SILVEIRA AGREED BUT SAID THAT IT WOULD HAVE BEEN BETTER FOR THE U.S. TO HAVE MADE THE ANNOUNCEMENT IN JANUARY. HE SAID THAT THE GOB'S APPROACH TO THIS ISSUE WILL BE TO TRY TO BE FRANK BUT AVOID CONFRONTATIONS. IT WILL SEEK TO HARMONIZE INTERESTS. AT ONE POINT SILVEIRA SAID THE US SHOULD REFRAIN FROM FURTHER MEASURES PREJUDICIAL TO BRAZIL. THEN HE REITERATED THE GOB'S SATISFACTION WITH SECRETARY SHULTZ'S VISIT. HE SAID SHULTZ HAD AGREED THAT THE TWO COUNTRIES SHOULD EXAMINE BRAZIL'S EXPORT INCENTIVE SYSTEM TOGETHER AND THAT THE PROBLEM SHOULD BE DISCUSSED IN THE GATT.

4. SILVEIRA STRESSED THAT BRAZIL MUST FOCUS MORE ATTENTION ON ITS RELATIONS WITH OTHER LATIN AMERICAN NATIONS AND WILL TRY TO BE MORE CREATIVE IN HANDLING THEM. BRAZIL WANTS TO HARMONIZE ITS NATIONAL INTERESTS WITH THOSE OF THE OTHER LATIN AMERICAN COUNTRIES AND IS MAKING PROGRESS IN THAT REGARD. HE CITED THE NATURAL GAS

AGREEMENT WITH BOLIVIA AS AN EXAMPLE. SILVEIRA EXPRESSED THE BELIEF THAT IN LATIN AMERICA BRAZIL CAN BE USEFUL NOT ONLY TO ITSELF BUT ALSO TO THE US AND ADDED THAT HE HOPED THE US RECOGNIZED THIS.

5. THE FOREIGN MINISTER SAID THAT CERTAIN ASPECTS OF BRAZILIAN FOREIGN POLICY WOULD BE LESS RIGID THAN IN THE PAST. HE SPECIFIC E E E E E E E

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